

James River Partnership XII

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James River
Barge Line



James River Partnership XII

Impact of Freight Rates

Vessel freight rates rose sharply in 2007 and continue to be firm in 2008 due primarily to the rapid increase of dry bulk raw materials being imported by China and India.

The balance of vessels in the Atlantic and Pacific Basin has been upset as a result and not only has this volume taken ships out of the market, it has created port congestion of 30 to 50 days, further taking dry bulk carriers out of the market place.

Order books for new ships being built are full. A request today for a new building would result in a 2012 delivery.

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Impact of Freight Rates

The latest technology in shipbuilding has created a new class of vessel being built – the Handy Max. The ship owner today is forced to look at his “tons per mile cost” and this latest ship technology has created a new economically viable ship size of 35,000 to 45,000 deadweight vessel. The majority of these ships do not meet the present restrictions on the James River, with LOA of 620ft and beam 95ft.

We need to “maintain” the James River at a “minimum” and further have a plan to widen and deepen the James River to accommodate these new vessels.

It will require “flexibility” on everyone’s part to continue growing commerce into the future.

Ship Roundtrips on the James River

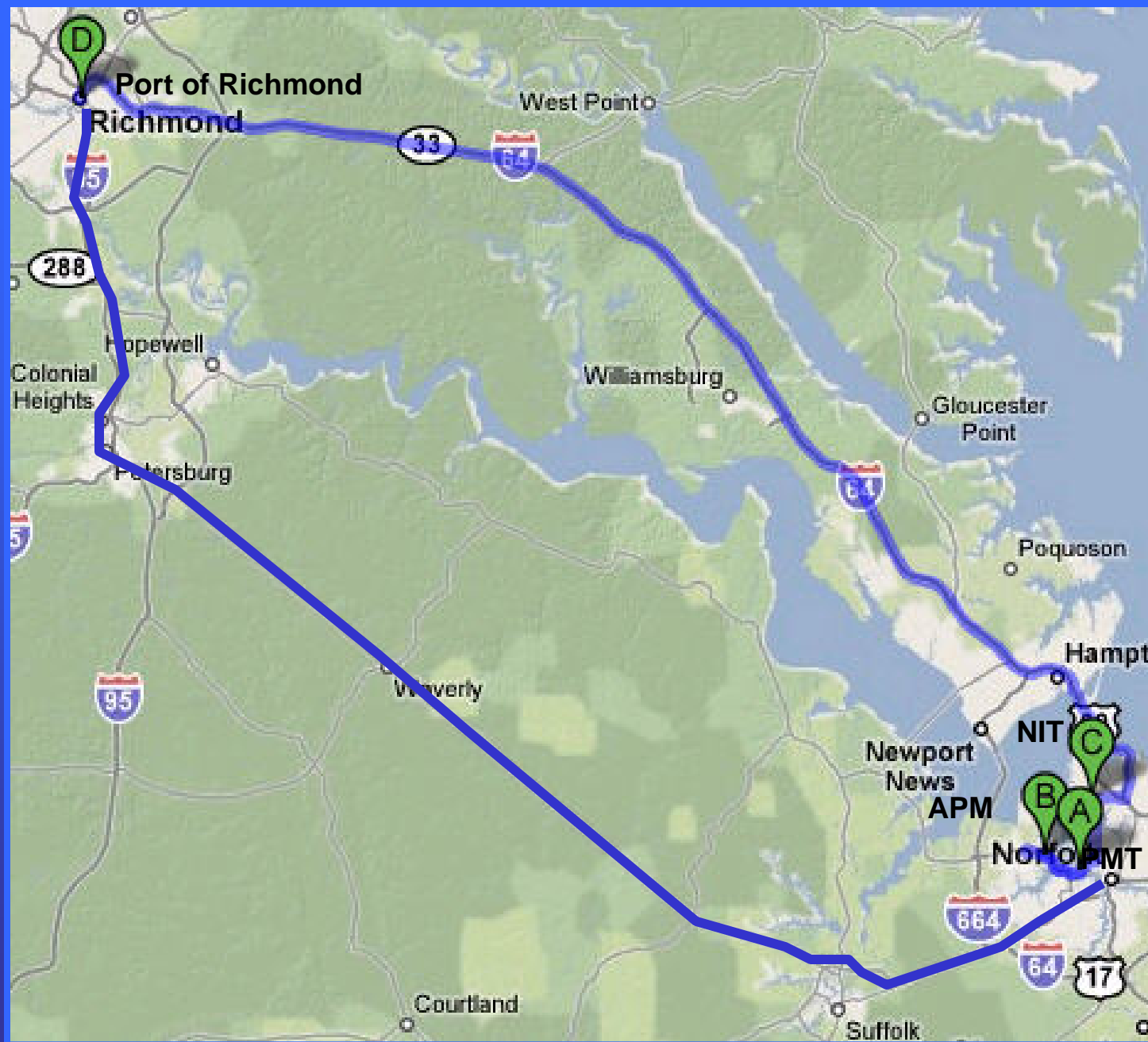
<u>PIER</u>	<u>CARGO</u>	<u>2007</u>	<u>2008</u> <small>(PROJECTED)</small>	
Honeywell	Ammonium Sulphate	45	50	
Regional Ent.	Caustic Soda	3	4	
DuPont	Limestone	1	0	
Port of Richmond	Containers	<u>78</u>	<u>82</u>	
	TOTALS	127	136	+7%

NOTE: Does not include the Ready Reserve Fleet

Barge Roundtrips on the James River

<u>PIER</u>	<u>CARGO</u>	<u>2007</u>	<u>2008</u> (PROJECTED)	
Honeywell	Phenol	61	65	
Honeywell	#6 Oil	6	6	
Honeywell	Ammonium Sulphate	94	100	
Regional Ent.	Caustic Soda	3	3	
Regional Ent.	Asphalt	67	70	
Vulcan (Fla. Rock)	Aggregate	2000	2000	
Port Tobacco (Shirley)	Miscellaneous	55	20	
Port Tobacco (Shirley)	Dredge Material	10	15	
DuPont	Limestone	0	40	
Dominion Chesterfield	Equipment	2	0	
Dominion Chesterfield	Limestone	0	36	
Dominion Chesterfield	Syn. Gypsum	0	60	
Kinder Morgan	#6 Oil	28	28	
TOTALS		2326	2443	+5%

NOTE: Does not include dredges & tugboats



A – PMT

B – APM

C – NIT

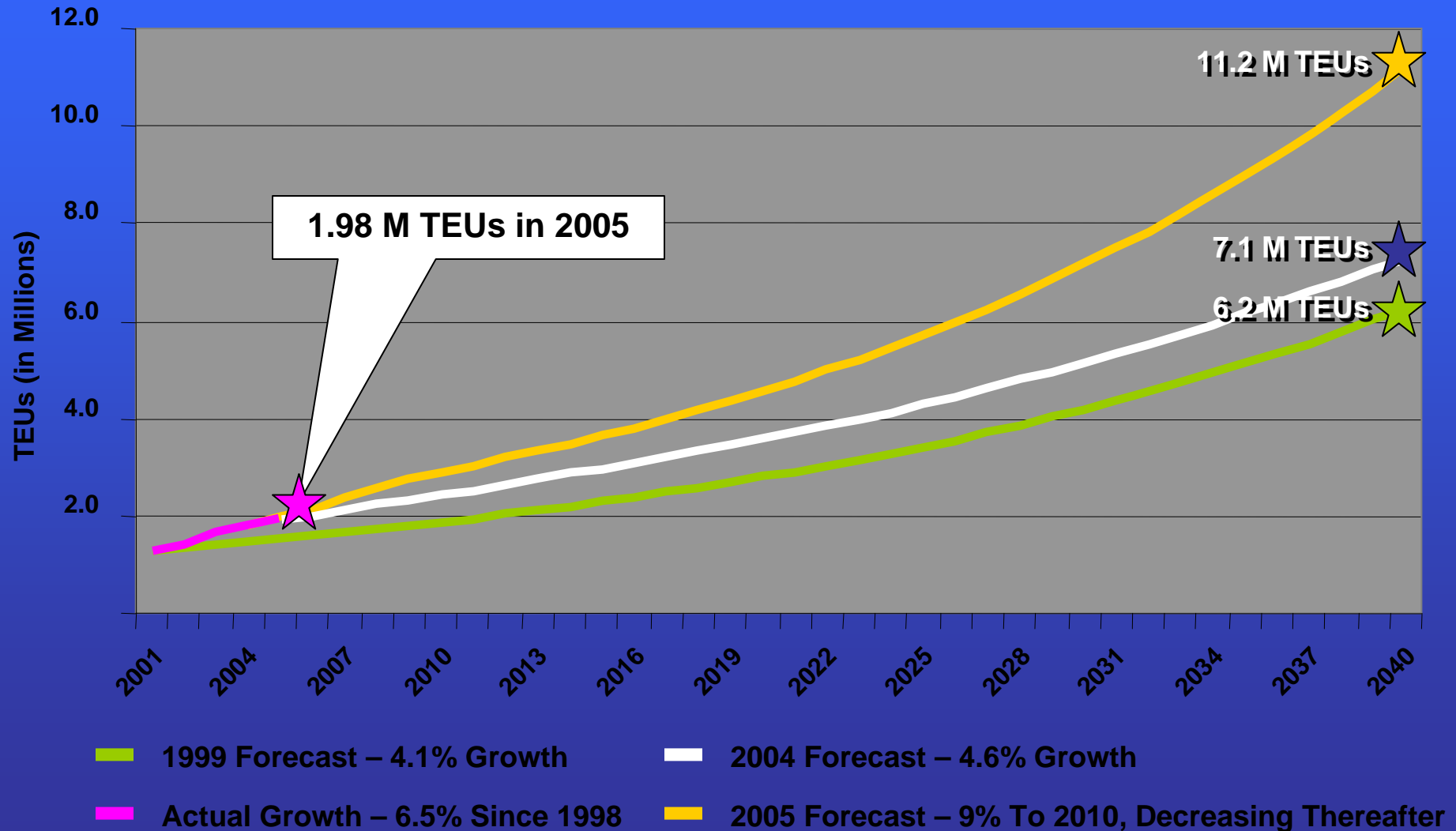
D – Port of
Richmond

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James River Barge Line

- An inland barge transporting containers between the Port of Richmond and the Port of Hampton Roads
- Importers and Exporters in the Greater Richmond area are leapfrogging congested roadways to end destinations
- Barge will provide the most cost-effective, reliable, and environmentally-friendly mode of transport

Containerized Cargo Forecasts

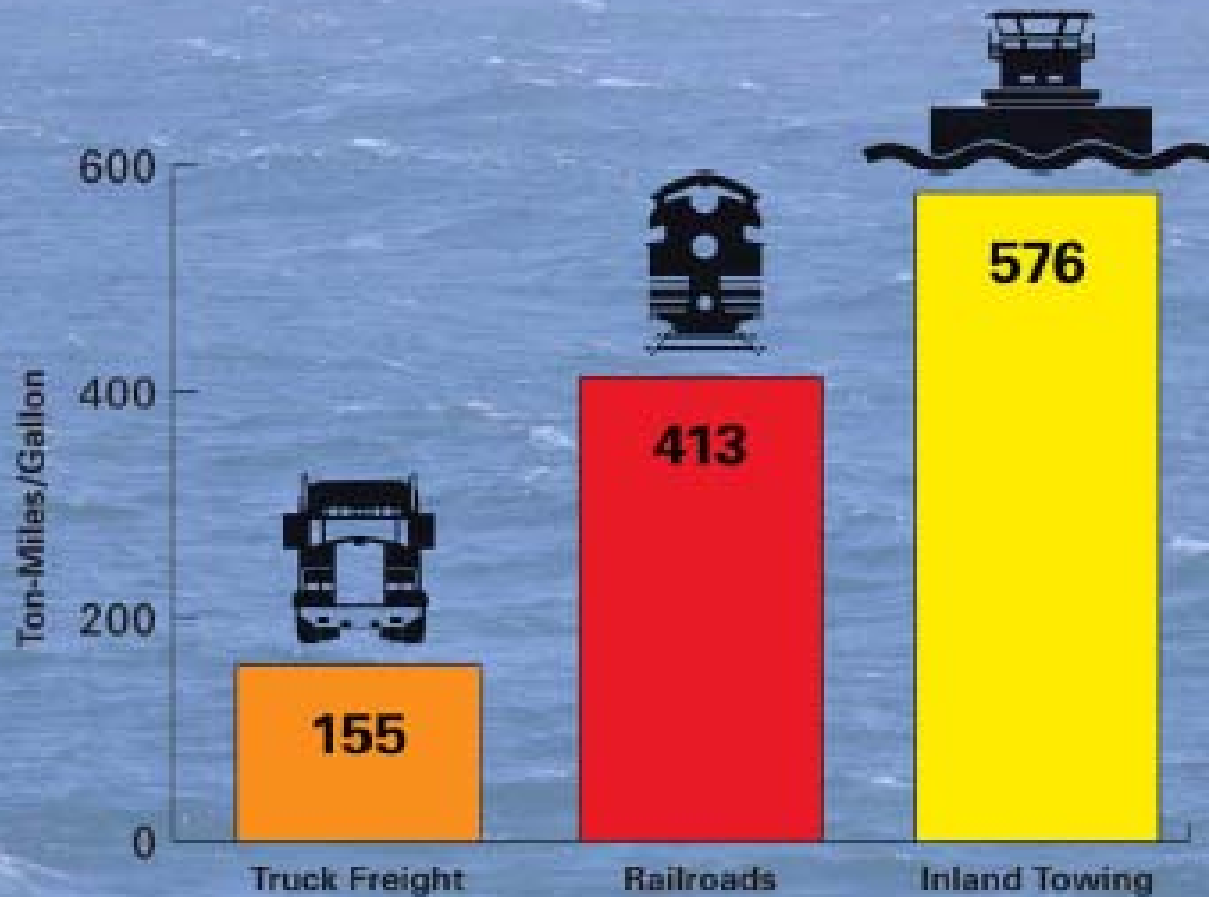


Selected Distribution Centers Located in Virginia

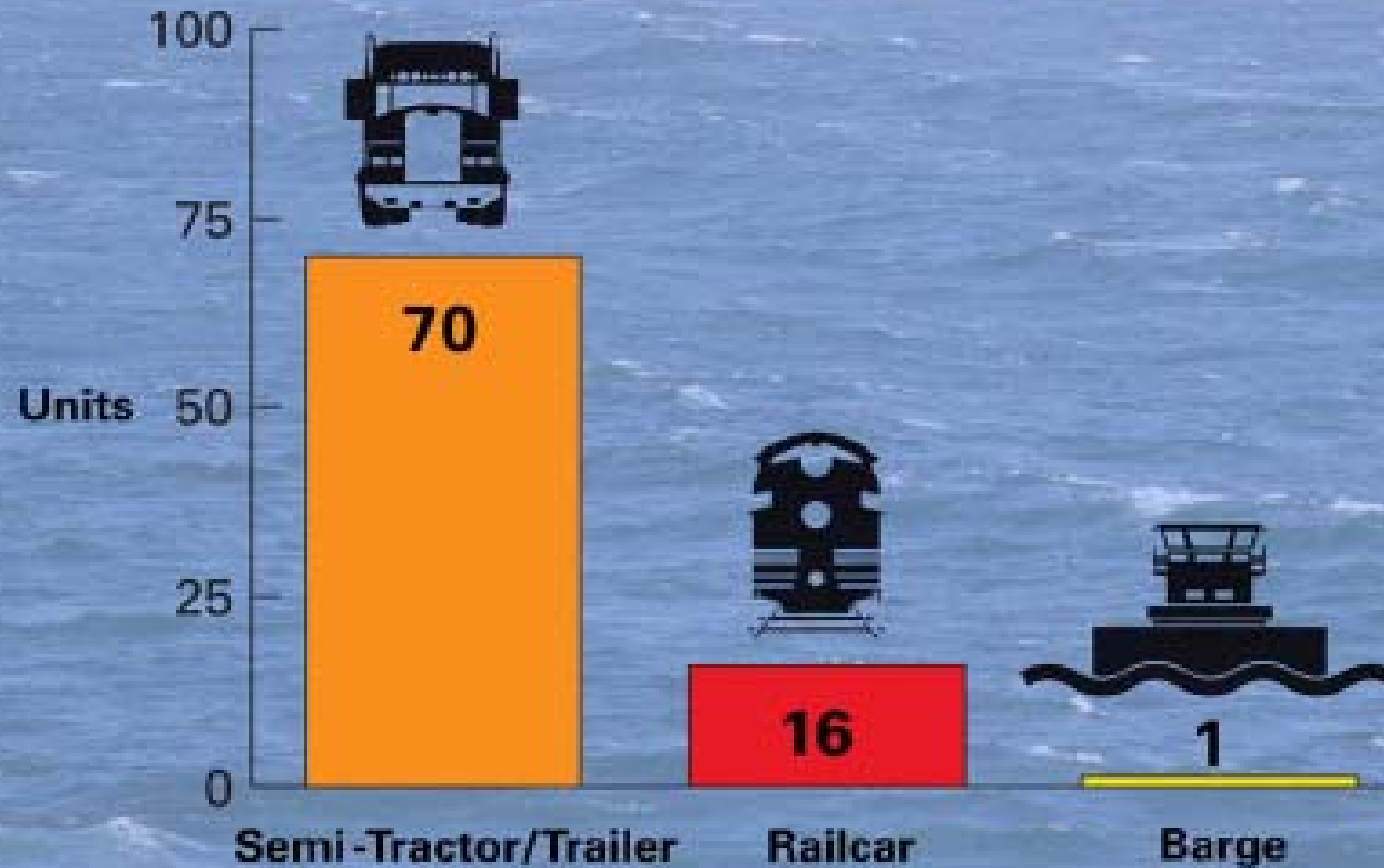
“Virginia placed first among the 50 states in a new ranking of the “Best States for Business” by Forbes.com, the official internet site for the Forbes family of business publications...”



Miles per Gallon Carrying One Ton of Cargo



Units Needed to Carry Approximately 1750 Short Tons of Dry Cargo



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The Market – 30 mile radius from the Port of Richmond – end destination

- Richmond highway system is the best in the State
- Growth potential land available within 10 miles of the port for new projects, manufacturing, processing, warehousing and distribution centers



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Truck Rates



Year	2005	2006	2007	2008	2009
Hampton Roads-Richmond truck rate	\$360	\$400	\$400	\$440	\$500?

Traffic, driver shortages, and fuel cost continue to be volatile.

Barge is competitive with current truck rates, and costs for barge operation will increase incrementally vs. trucking rates.



